

18 June 2009

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear John,

Rule Change Proposal: Metering Data Providers and related matters

NEMMCO requests the AEMC consider making a Rule under section 91 of the *National Electricity Law* (NEL). The proposed Rule changes seek to amend, principally, Chapter 7 of the *National Electricity Rules* (Rules) by:

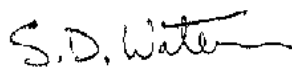
- creating a new category of service provider called a 'Metering Data Provider' (MDP) and varying the 'Metering Provider' (MP) category of service provider;
- reallocating the responsibility for remote interval metering data collection from NEMMCO to Market Participants;
- refining the description of the metering installation and metering data; and
- making consequential changes.

A statement of the issues concerning the existing Rules, a description of the proposed Rule, and how the proposed Rule addresses those issues consistent with the National Electricity Objective (NEO) is in Attachment A. Attachment B sets out the consequential changes to the Rules and Attachment C the proposal for Rules schedule 7.1.

Attachment D contains a marked-up and annotated draft of Chapter 7 of the Rules (version 28) which corresponds to the proposed Rule. Attachment E sets out the changes (only) to the Rules Glossary (version 28) corresponding to the proposed Rule. For completion Attachment F sets out a clean draft of Chapter 7 of the Rules corresponding to the proposed Rule.

NEMMCO would be pleased if you could have these matters considered by the AEMC. For further details, please do not hesitate to contact Roy Kaplan, Manager Metrology Regulation, on (03) 9648 8777.

Yours sincerely,



David Waterson
General Manager Development & Strategy

Enc. Attachment A: Request for Rule Change
Attachment B: Proposed Rule - Consequential changes
Attachment C: Proposed Rule - Schedule 7.1 of Rules
Attachment D: Proposed Rule - Marked-up Chapter 7 (metering) of the Rules
Attachment E: Proposed Rule - Marked-up Chapter 10 (Glossary) of the Rules
Attachment F: Proposed Rule - Clean Chapter 7 (metering) of the Rules

1. Background to the proposal

Since the commencement of the National Electricity Market (NEM), a number of significant developments have occurred in metrology, the manner in which meter data is collected, and the responsibility for data collection. These changes include:

- The development of new metering installation types (5, 6 and 7) to accommodate full retail competition (FRC). Prior to FRC, NEM settlement was based entirely on interval data remotely collected from meters with NEMMCO responsible for this data and its quality;
- Jurisdictionally based metrology procedures were introduced. This allowed the use of profiles for settlement based on accumulation data (type 6) and the formula based calculation of interval energy data for unmetered loads (type 7). The metrology procedures provided processes for managing the data associated with these metering installation types. The responsible person (RP) was given the responsibility for managing the data from these metering installations with the activity carried out by appropriately accredited metering providers (MPs);
- More recently, all metrology, including that for first tier meters, was brought under the Rules and the jurisdictional metrology procedures have now been harmonised into a single national metrology procedure published by NEMMCO in accordance with clause 7.14 of the Rules; and
- In the not-too-distant future, smart meters (also known as ‘advanced metering infrastructure’) will be installed for mass market customers; consequently there will be an increase in the amount of metering data that will be collected remotely.

The harmonisation of all the NEM metrology under the Rules has highlighted the complexity of the approaches for the different metering installation types and provides a particular opportunity for a review of these arrangements. Such a review could not have been addressed prior to the harmonisation of the metrology arrangements.

1.1 NEMMCO’s review of the matter

NEMMCO foreshadowed the, ‘Review of the Service Provider Roles’ in its Metrology Program Plan¹ and has followed the process outlined in the program plan in developing this proposal.

The review process has included a number of consultation points with the Metrology Reference Group (MRG) and takes into account the concerns that were raised by the MRG and the solutions discussed.² While this proposal has been endorsed in principle by the MRG, neither the MRG nor any individual registered participant has endorsed the finalised proposal.

NEMMCO has considered the following objectives and principles in formulating this Rule change proposal:

¹ ‘2008 Metrology Program Plan’, Version No: 1.1, NEMMCO, January 2008, page 24.

² The MRG includes representatives from distribution network service providers, retailers and metering service providers.

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- NEMMCO should continue to be responsible for establishing the requirements for metering data collection, processing and delivery;
 - NEMMCO should remain responsible for the accreditation, registration and qualification processes for MPs and MDPs;
 - MPs and MDPs are treated the same, where possible, independent of metering installation type;
 - all metering installations and associated processes are treated as consistently as possible independent of metering installation type;
 - the functions of MPs and MDPs need to be clear, especially at the metering installation boundary; and
 - the metering installation should have the same description independent of metering installation type and without reference to specific technologies.

While this proposal is not concerned with specific changes for smart meters it takes into account the introduction of smart meters.

1.2 Current arrangements for metering provision services

Under the National Electricity Rules (Rules) the responsible person (RP) is responsible for the metering installation and must engage a metering provider to install and maintain a metering installation for each connection point.³ The arrangements for metering provision are set out in Table 1.1.

Table 1.1: Arrangements for metering provision services

<i>Metering installation type</i>	<i>Responsible party</i>	<i>Provider of services</i>
1 to 4	Responsible person, (the FRMP or the LNSP)	MP category B ⁴
5 and 6 ⁵	Responsible person, the LNSP	MP category A (installation) MP category B (installation, provision and maintenance)

1.3 Current arrangements for metering data services

Under the Rules NEMMCO is responsible for the remote acquisition and processing of metering data.⁶ The RP is responsible for the collection and processing of metering data from metering installations where data is manually collected. NEMMCO fulfils its responsibility for the remote acquisition and processing of

³ Rules clause 7.2.5.

⁴ For more detail on the categories of registration of service providers see the NEMMCO document: 'Accreditation of Service Providers within the NEM - Overview Document', Doc. ME_MA1683.v004, NEMMCO, 2006.

⁵ Type 7 metering installations do not have metering equipment hence do not need metering provision services.

⁶ Rules clause 7.9.2.

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metering data under a complex structure of deeds and procedures under which the financially responsible market participant (FRMP) engages an accredited metering data agent (MDA), an agent of NEMMCO for metering installation types 1 to 4.

These arrangements for metering data provision are shown in Table 1.2.⁷

Table 1.2: Arrangements for metering data services

<i>Metering installation type</i>	<i>Responsible party</i>	<i>Provider of services</i>
1 to 4	NEMMCO	Accredited MDAs chosen by the FRMP under the deeds arrangements
5, 6 and 7	Responsible person, the LNSP	MP category C (manual collection) MP category D (manual collection, processing and delivery)

The deeds arrangements for metering installation types 1 to 4 include:

- The Nomination Deed – an agreement between NEMMCO and retailers whereby retailers agree to engage an accredited MDA for certain metering installations;
- MDA Nomination Rules – an agreement between NEMMCO and retailers that sets out the Rules, including the commercial arrangements, for the engagement of MDAs; and
- MDA Services Deed – an agreement between NEMMCO and MDAs whereby accredited MDAs agree to meet the Rules requirements for the provision of certain metering data services.⁸

Some elements of the deeds arrangement for MDAs were due to expire in November 2009 and these have been extended to allow time for this proposal to be considered.

2. Statement of issues with the current provisions

This section sets out the issues with the current Rules relating to the metering data arrangements, the responsibility for those arrangements and the glossary terms used to describe metering and related terms.

⁷ MDAs and MPs category 'D' are collectively known as MDPs.

⁸ Deeds of Agreement which form part of the accreditation of MDPs for the provision of services for meter types 1 to 7 would continue after the proposed termination of the deeds arrangements for MDAs. An example of such a deed currently is the 'Metering Data Provider Deed Category C or D Services'.

2.1 Issues with metering data provision

The background above has outlined how the metrology provisions of Chapter 7 of the Rules have evolved for metering data services. NEMMCO considers that these arrangements are complex and inefficient, with inconsistent governance arrangements across metering installation types.

Under the Rules NEMMCO is responsible for metering data for remotely read meters. NEMMCO does not perform its responsibility directly but uses MDAs under a deeds structure. Under these arrangements NEMMCO allows the FRMP to select the MDA for its connection point (and pay for the MDAs services). MDAs are only subject to processes and enforcement under the deeds, not the Rules.

In practice the parties who perform metering data services for remote and manual collection are usually both MDAs and MPs (who provide the manually read metering data services). The same entities perform similar activities under different sets of rules.

NEMMCO does not regard the deeds arrangements as a satisfactory approach for continuing the provision of metering data services for meter types 1 to 4. The issues with this approach include:

- there is a lack of transparency in respect of the role of MDAs who are not recognised explicitly in the Rules;
- NEMMCO considers the deeds arrangements are inefficient and an administrative burden as they create an additional layer of contractual agreements and compliance to manage;
- there is lack of certainty for MDAs as the deeds arrangements are not subject to an independent change process;
- while payment for metering data services (by the relevant FRMP) is provided for under the Rules, it is a concern that the corresponding services are not specified in the Rules;
- there is a lack of clarity and certainty for investment by MDPs under the deeds; and
- the different arrangements across the various meter types, as noted above, makes compliance more complex and costly for the providers of these services.

The proposed Rule addresses these issues by creating a new category of service provider in the Rules called a Metering Data Provider (MDP). MDPs will 'replace' MDAs and will provide metering data services in accordance with the Rules for all metering installation types. They will be regulated in the same manner as MPs.

2.1.1 Responsibility for metering data services

If it is agreed to incorporate MDPs into the Rules as service providers this creates the issue of which party should be responsible for engaging the MDP for meter type 1 to 4 and for ensuring metering data services are carried out according to the Rules. For metering installation types 1 to 4 this is not a matter that Rules currently deal with while the deeds allow the FRMP to appoint the MDA.

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NEMMCO has been responsible for remote data collection and managed the metering data collection standards and processes. However NEMMCO has never performed the function of remote acquisition of metering data itself but has relied on MDAs to perform this task in accordance with Rules clause 7.3.5(c).

The proposed Rule places responsibility with the RP for the engagement of the MDP and for ensuring metering data services are carried out in accordance with the Rules. Further detail regarding this proposal is given in section 3.

2.1.2 Dispute resolution

The reform of the service provider arrangements highlights the issue that disputes between service providers and other parties including registered participants and NEMMCO do not currently need to be resolved in accordance with the Rules dispute resolution procedures. (Through the deeds arrangements, however, MDAs must comply with those processes in resolving disputes).

2.1.3 Service level procedures

NEMMCO has developed 'service level requirements' that detail aspects of managing metering and metering data to be met by service providers. NEMMCO has relied on Rules clause 7.4.2 to establish these requirements for MPs and MDAs are required to meet these requirements by reason of the deeds. While it is clear in this clause that service providers must comply with these requirements, the issue is that NEMMCO lacks a clear authorisation under the Rules to prepare and issue these requirements (including in a transparent manner).

The proposed Rule addresses this issue by establishing specific provisions for 'service level procedures'. The initial service level procedures will be the current service level requirements.

2.2 Metering installation and related issues

2.2.1 Metering installation

A 'metering installation' was originally conceived to accommodate metering installation types 1 to 4 when data was collected using the public telecommunications network and the metering installation boundary was established at the telecommunications network boundary. It is in this context that the current glossary term was developed.

Since then, metering installation types 5, 6 and 7 have been introduced where data is manually collected (types 5 or 6) or calculated (type 7). For these metering installations different arrangements were established for responsibility and for managing the metering data. The boundary of a metering installation was extended to include manual data collection and processing up to delivery to NEMMCO and Market Participants.

However these developments have made the definition of metering installation unclear regarding:

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- whether the term would allow new technologies and whether certain references in the term ‘metering installation’ now seem too specific to technologies and hardware;
 - whether each metering installation must have a communications link;
 - the extent to which the metering data is part of the metering installation, and who is responsible for each of these activities; and
 - how the metering installation extending ‘to the boundary of the public telecommunication network’ applies to metering installation types 5, 6 and 7.

Hence, NEMMCO considers that the Rules should clarify the term ‘metering installation’ (as provided in the proposed Rule) in order to make clear the extent of the metering installation and so that the relationship between metering provision and metering data services is clear.

2.2.2 Revenue metering installation

The term revenue metering installation and metering installation are both currently used in the Rules. This is confusing as the relationship between ‘revenue metering installations’ and ‘metering installations’ is not clear.

While it is the intention of the Rules that the revenue metering installation is the source of data that will be used ultimately for market settlement the term ‘revenue metering installation’ is only used in conjunction with ‘check metering installation’. Presumably this terminology is used to distinguish between the meter that is used as the source of data for settlement and the meter that is used source of data for checking purposes. In practice however all metering installations are revenue metering installations since they are the source of the data used for settlement.

NEMMCO considers that the use of both terms is unnecessary and creates confusion in the market. The proposed Rule removes the term ‘revenue metering installation’.

2.2.3 Metering installation database

There is uncertainty and potential confusion over the responsibility for and application of the ‘metering installation database’.

The metering installation database (the database contained within the metering installation for metering installation types 5, 6 and 7) is defined in the metrology procedure and is the responsibility of the RP to maintain. There is also reference to a ‘metering installation database’, but not as a defined term, in the Rules.⁹ In this case, it refers to the requirements for data storage in the metering installation generally (conceptually applying to all metering installation types) where there is a remote data logger that is the responsibility of the MP.

The ‘metering database’ is maintained by NEMMCO and contains the data relating to all metering installations that is used for settlement and it is defined under the Rules.

⁹ See Rules clauses 7.3.1, 7.9.3 and 7.12.

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The location of requirements for metering databases in different instruments, or at different locations within the same instrument creates opportunities for misreading of compliance requirements and a risk of participant error and confusion.

The introduction of the MDP as a service provider and the clarification of the metering installation as well as the integration of the metrology arrangements provides an opportunity to clarify the how metering data is stored. While many of the matters relating to the terminology of the various databases were resolved following implementation of the AEMC's, 'National Electricity Amendment Integration of NEM Metrology Requirements Rule 2008' (Metrology Determination), the AEMC considered that many of these matters were complex, there had not been sufficient consultation on some, and that others could be considered out of scope. The AEMC indicated, however, that it would consider these matters if requested.¹⁰

The proposed Rule introduces a new term 'metering data services database', a database that will be maintained by the MDP, to distinguish it from the 'metering database' maintained by NEMMCO.

2.3 Issues with metering data glossary terms

In the Metrology Determination the principle was established that 'energy data' was the data held in the meters and that the 'metering data' was the data that was collected and processed. While the glossary terms reflect this principle the terms energy data and metering data are nevertheless used somewhat interchangeably in the Rules, for example:

- Rules clause 7.8.4(a) establishes that energy data in a meter should not be altered except where a meter is reset to zero, however clause 7.8.4(b)(2) suggests where the injection of current is used to test the meter and that alterations of data are considered necessary that the energy data should be altered in accordance with the metrology procedure. NEMMCO understands that the latter reference should be to metering data, not energy data.
- Rules clause 7.14.2(h) sets out that jurisdictional metrology material should not prevent the metering data being extracted from a data logger as interval energy data. NEMMCO considers that to be consistent with the glossary term this should read that the jurisdictional metrology material should not prevent the energy data being extracted from a data logger as interval metering data.
- The glossary term for 'energy data services' refers to the processing and storage of 'energy data' in the metering installation database. Again there is the issue that if this data represents data that has been collected then it should refer to metering data.

In addition, further issues with metering data terms include:

- The glossary term for 'estimated energy data' suggests that the estimation 'would not apply to a metering point where accumulated energy data or interval energy data is not available'. NEMMCO considers that the first 'not' should not apply so that the term reads, 'would apply to a metering point where

¹⁰ 'National Electricity Amendment Integration of NEM Metrology Requirements Rule 2008', AEMC, 6 March 2008, page 100.

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accumulated energy data or interval energy data is not available'. Additionally 'estimated energy data' would be more appropriately termed 'estimated metering data'.

- On a few occasions in the Rules (e.g. clause 7.9.5(b)) the undefined term 'readings' is used where NEMMCO considers the reference should be to either energy data or metering data.

Many of the issues associated with these terms were considered by the AEMC in connection with the Metrology Determination however, some matters were not finalised and the AEMC noted that it would accept further submissions in connection with these definitions to enable specific and more detailed consultation.¹¹

NEMMCO proposes that these matters should now be addressed more fully with a view to obtaining clarification of these terms (through the proposed Rule) at the same time as the service provider roles are being reviewed. This approach will assist the service providers in understanding their roles and will provide important standardisation of terms across all metering installation types.

2.4 Related Rules issues

At present, Chapter 7 of the Rules is not entirely successful in bringing together provisions relating to the same broad topic. In particular matters dealing with the metering installation and metering data, where it is proposed that these become the function of different service providers, are not in clearly separate sections of the Chapter. It is suggested some restructuring of Chapter 7 (as contemplated by the proposed Rule) would improve clarity by ensuring, where possible, that each section deals with one substantive matter only.

NEMMCO proposes some further Rule changes that are related to and support the principal Rule change proposals. These are designed to provide clarity to metering service providers and to improve the operation of the market given the substantive changes proposed for metering and service providers.

These proposals are minor changes for clarification, to correct errors and to take account of the substantive changes proposed in this submission. As these matters are of a minor nature, the issue with the existing Rule is outlined together with the proposed Rule in the next section. These changes are also incorporated in the mark-up version of Rules Chapter 7 that is attached.

3. Description of Proposed Rule

This section sets out the proposed Rule, which is NEMMCO's solution to the issues raised in section 2, with respect to metering data arrangements, responsibility for those arrangements and the terms used to describe metering and related terms. Suggested drafting is set out in the attachments to this submission.

¹¹ Ibid, page 99 to 100.

3.1 Proposal for metering data provision

The proposed Rule seeks to transfer and create the equivalent rights and obligations that exist under the deeds arrangements with respect to MDAs to the Rules' governance framework. To achieve this, the proposed Rule seeks to establish MDPs as service providers with a role defined under the Rules for the provision of 'metering data services'. Under the proposed Rule, MDAs would become MDPs for meter types 1 to 4, and would not be required to be reaccredited if they are currently accredited.

Where practicable the proposed Rule makes the MDP arrangements similar to those for MPs. The functions of MPs and MDPs would be separately defined as follows:

- MPs would only have obligations for the provision, installation and maintenance of metering installations; and
- MDPs would only provide 'metering data services' for all metering installation types.

NEMMCO would retain its current role of accrediting and registering service providers as well as establishing the data standards for the purpose of settlement. Hence MDPs would be subject to accreditation and performance requirements under service level procedures (SLPs) similar to the current arrangements for MPs.¹² Similarly, deregistration, breach and termination arrangements for MDPs would correspond to those for MPs.

Overall the proposal for MDPs, which are set out in the attached marked-up draft Chapter 7 of the Rules:

- creates MDPs as service providers and introduces a glossary term for MDP;
- requires MDPs to comply with the Rules and procedures under the Rules;
- introduces a glossary term for 'metering data services' (replacing the current term, 'energy data services' which would be removed from the Glossary);
- sets out the accreditation arrangements for MDPs by category;
- sets out the capabilities and qualifications of MDPs; and
- revises the deregistration arrangements that would apply to both MDPs and MPs.

3.1.1 Responsibility for metering data services

The proposed Rule establishes the market participant responsible for metering data services, engaging the MDP and ensuring metering data services are carried out according to the Rules.

¹² Rules clause 7.4.

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The proposed Rule sets out that the RP rather than NEMMCO has the formal responsibility for the provision of metering data services for all metering types and that MDPs are engaged by the RP to carry out metering data services for each metering installation.

NEMMCO considers that it is no longer necessary for NEMMCO to be responsible for the remote collection of metering data for the following reasons:

- remote data collection is not a function that NEMMCO must necessarily perform itself to support its key role of operating the NEM;
- the remote acquisition of metering data is now well established and does not require NEMMCO to conduct this activity as was considered necessary at the commencement of the NEM;
- the remote collection of metering data will be more common in the future with many providers utilising different technologies across all metering installation types, and it would not be appropriate for NEMMCO to be responsible for these activities;
- market Participants will be able to develop diverse functional relationships with MDPs that should provide innovation in the collection of metering data; and
- given that NEMMCO is responsible for accreditation, deregistration and auditing MDPs it is not appropriate that it have the responsibility for 'performing' the function as well.

This proposal does not vary the allocation of the roles and responsibilities of the RP, NEMMCO and the service providers beyond the matter of the remote collection of data. Nor does this proposal represent a change to the Rule (clause 7.2.1) regarding which party may assume the RP role. The proposed Rule only deals with the engagement of the MDA, a matter that was not previously fully dealt with under the Rules.

Furthermore this proposal does not vary the type or scope of metering services that are competitively sourced; rather the proposal establishes which registered participant procures the market based services.

The key options for the allocation of the responsibility for metering data services (other than to NEMMCO) are:

- continue with the current operational arrangement whereby the FRMP engages the MDP and additionally that the FRMP has the responsibility for metering data services; or
- that the RP engage the MDP and the additionally the responsibility for metering data services.

The following table sets out the options for the responsibility for the provision of data services for metering types 1 to 4. For completeness the responsibilities for metering installation types 5, 6 and 7 are also set out. These would continue to apply independently of what option is adopted for meter type 1 to 4.

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Table 3.1: Options for the Responsibility for metering data services

<i>Option for engaging the MDP</i>	<i>Metering installation type</i>	<i>Responsibility for the provision of metering data services</i>	<i>Provider of metering data services</i>
Rules to reflect current position under deeds for engaging the MDP	1 to 4	FRMP	Accredited MDP
	5, 6 and 7	Responsible person, the LNSP	Accredited MDP
Rules sets out that the RP engages the MDP	1 to 4	Responsible person (the FRMP or LNSP)	Accredited MDP
	5, 6 and 7	Responsible person, the LNSP	Accredited MDP

NEMMCO’s reasons for proposing that the RP is the party that is responsible for metering data services are set out below.

The advantages of the FRMP directly engaging the MDP for metering installation types 1 to 4 include:

- the FRMP can choose the MDP that best meets its cost and performance criteria;
- the FRMP can negotiate value added data services directly with the provider of the services;
- it is a continuation of current operational practice under the deeds arrangements that is well understood; and
- this approach might be considered to allow the FRMP to engage the MDP without the attendant Rules responsibility of also accepting the RP role as it does under the deeds arrangements.¹³

Nevertheless NEMMCO’s reasons for recommending that the RP engage the MDP and be responsible for metering data services are as follows.

- The FRMP has the first option to perform the role of RP based on cost and corresponding service levels. As RP the FRMP will choose the MDP for metering installation types 1 to 4 under this proposal.

In the majority of cases the FRMP makes the choice to be the RP today despite the FRMP not needing to undertake this role in order to select the MDA. Additionally most of the advantages of the option where the FRMP engages the MDP are available to the FRMP under this proposal where they choose to be the RP.

¹³ While this was the case under the deeds arrangements it would not be the case where NEMMCO was not responsible for the remote collection of data.

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The alternative option would mean that the FRMP must engage the MDP whether it wanted to be the RP or not, that is, it could not avoid the responsibility for metering data services and engaging the MDP. For the option proposed, the FRMP's choice of whether to perform the RP role is the appropriate mechanism whereby the FRMP makes this decision.

To assist the FRMP in its decision making about cost and which party should be the RP, it is also proposed that the Rules set out that the offer from an LNSP to perform the RP function¹⁴ will separately show the terms and conditions for meter provision and meter data services and the parties that would be engaged to perform the function. Additionally it is proposed that the Rules will specify that the FRMP will be able to request additional or valued-added data services from the MDP at its cost.

- The responsible person is the entity that was established to have broad responsibility for the metering and the data derived from the metering. This principle was put in practice for the majority of metering points in the NEM (metering installation types 5, 6 and 7) where the RP is responsible for the end to end processes associated with metering and metering data.
- The same party would be responsible for metering data services and for engaging the MDP across all metering installation types.
- The responsible person will have end-to-end responsibility for the metering installation and the metering data and will select the MP and MDP. This approach will ensure that there are no gaps or boundary disputes regarding responsibility and accountability across the boundary between the meter and data collection. The RP would make an integrated decision regarding the provision of the metering installation and the collection of metering data. This will promote efficiency in the provision of these services and eliminate boundary disputes at the MP/MDP interface.

Competition for metering data services is not impacted by this proposal as independent service providers will continue to offer services to RPs. In practice the arrangements will be more straightforward for the provision of services as the RP will have clear responsibility for the provision of metering data services and the engagement of service providers (NEMMCO being removed for this formal role) and service providers will be able to offer end to end services to the RP.

3.1.2 Dispute resolution

The proposed Rule provides that MPs and MDPs are subject to the dispute resolution processes that are set out in clause 8.2 of the Rules.

The Rules dispute resolution procedures should be applied to service providers as:

- disputes between service providers affect other parties including registered participants; and
- this is consistent with their current application to MDAs under the deeds arrangements.

¹⁴ Under Rules clause 7.2.3(c).

The drafting in relation to this proposal is set out in Attachment B (consequential changes).

3.1.3 Service level procedures

The proposed Rule provides for service level requirements to bind metering providers and metering data providers as procedures authorised under the Rules and for NEMMCO to establish these 'requirements' as procedures.

The proposed Rule establishes a new Rules clause 7.2.9 that makes it clear that NEMMCO is authorised to establish service level procedures. This clause:

- authorises NEMMCO to issue and amend service level procedures, in accordance with the Rules consultation procedures; and
- specifies the scope and purpose of the service level procedures.

It is proposed to include that the service level procedures include 'meter churn data management rules'. Meter churn data management rules are an existing feature of the service level requirements that have been developed by NEMMCO and enforced under the deeds arrangements. To ensure these rules continue to be enforceable after the termination of the deeds arrangements NEMMCO proposes that these requirements are established in the Rules as part of the service level procedures.

NEMMCO also proposes to rename the 'service level requirements' to 'service level procedures' when these are established under the Rules.

3.2 Proposal for metering installation and related matters

3.2.1 Metering installation

The proposed Rule varies the glossary term for 'metering installation' so that:

- it takes into account the role of the MP and MDP and their operational limits;
- it is technology and equipment neutral so that it can be applied consistently across all metering installation types;
- it is general enough to allow for manual and remote data collection; and
- it is data collection method indifferent.

The proposal is for the metering installation to include all the equipment that is required to make the data available for collection including a communications modem if this is required. The metering installation is intended to be limited to the customer's site and to correspond as intuitively as possible to traditional metering equipment.

The MP would be responsible for the provision, installation and maintenance of the metering installation. The MDP would collect metering data from the metering installation for processing and delivery to NEMMCO and relevant Market Participants.

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For different meters the metering installation would extend to where the data is presented for collection as follows:

- the meter dials for manually read electro-mechanical meters;
- the optical port where the data is made available for collection by a probe for manually read electronic meters; and
- for remotely read systems, the output of the communications interface that is part of the metering installation.

While there would continue to be the same requirements for the storage of data by the metering installation there would be no reference to a 'data logger', 'data collection system' or 'communications link' and it is proposed to remove these terms from the Glossary. The previous limit of the metering installation to 'the boundary of the telecommunications network' would no longer apply.

As it is proposed that metering data will be separate from the metering installation an additional note will be added to the definition of the metering installation so that it is clear that while an un-metered connection point does not require a meter; it nevertheless, is considered as having a metering installation.

A new term 'communications interface' is proposed. The communication interface (or modem) would only be required where data was collected by remote acquisition and would be part of the metering installation.

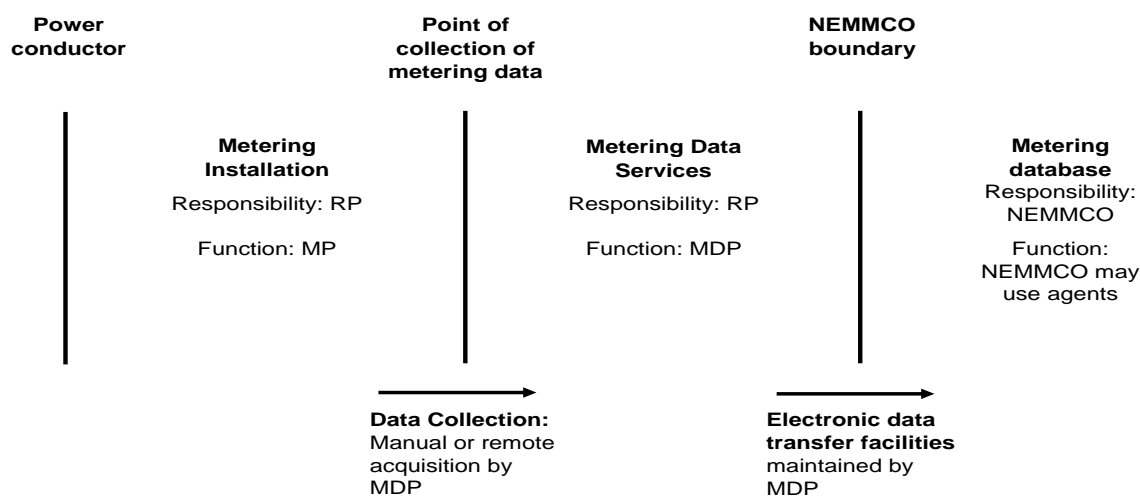
The term 'telecommunications network' is proposed to be varied so that it is the generic process by which the remote collection of data takes place.

The proposed Rule varies the glossary term for 'remote acquisition' so that the term:

- includes that the 'telecommunications network' is providing the remote acquisition capability;
- allows, through a note to the glossary term, remote acquisition to be used for the collection of other than interval metering data as contemplated by the Rules clause 7.3.4(f);
- includes 'wireless' and 'radio' as important generic technologies. The glossary term includes many specific technologies that provide for the remote collection of data, however the list does not include the important generic technologies of wireless and radio of which 'general packet radio service' is an example. It is proposed that wireless and radio be added to the list as important generic technologies. Corresponding to this proposal 'general packet radio service' would be replaced with the more general term, 'mobile telephone networks'; and
- it is proposed to clarify the reference to 'direct dial-up', to make it clear that this remote acquisition method is fixed-line telephony.

The following diagram outlines, at a high level, the proposal for the metering installation metering data and relevant responsibilities.

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The proposed Rule varies Schedule 7.1 of the Rules to show schematically, at a more detailed level, these relationships. The proposed Rule for schedule 7.1 is provided as Attachment C of this submission as well as being shown in the corresponding marked-up Chapter 7 (Attachment D).

As previously noted this proposal is not intended to foreshadow or restrict specific Rule changes for smart meters. In NEMMCO's view this Rule change proposal has merit and should be implemented regardless of whether or not smart meters are introduced in NEM jurisdictions. For communications technologies this proposal assumes open access communications for meter types 1 to 4 continue to operate as currently.

In NEMMCO's view however, this Rule change proposal will be beneficial to the MCE's smart metering program. It does this by granting the responsible person end to end responsibility for metering provision and metering data services and additionally providing greater transparency regarding the role of the metering service providers and clarity of relevant glossary terms.

3.2.2 Revenue metering installation

The proposed Rule removes the term 'revenue metering installation' from the Rules. Corresponding to this proposal Rules clause 7.9.1 would be varied to make it clear that settlements ready data that derives from metering data which is sourced from the metering installation must be used by NEMMCO as the energy consumption data used for settlement purposes.

Under the proposed Rule, the related terms 'revenue metering point', 'revenue meter' and 'revenue metering data' would also be removed from the Rules and from the Glossary.

This would not impact registering a metering installation for its purpose in MSATS because a metering installation would continue to be registered as being for revenue purposes.

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3.2.3 Proposal for metering data storage

The proposed Rule includes a glossary term for the ‘metering data services database’ and sets out that this database is separate from the ‘metering installation’. The MDP would establish and maintain the metering data services database as part of providing metering data services. The metering data services database maintained by each MDP would hold the metering data and NMI standing data for each relevant metering installation.

No change is proposed to NEMMCO’s responsibility for maintaining the metering database.

3.3 Proposal for metering data terms

The proposed Rule addresses the terms for ‘energy data’ and ‘metering data’ for completeness and consistency with the proposed approach for metering data services and the metering installation. Under this proposal certain metering related data terms will no longer be required.

The principle that ‘metering data’ is the data that has been collected from a meter (and processed) and ‘energy data’, is the data held or recorded by the meter is retained.

Each use of the terms ‘energy data’ and ‘metering data’ in each Chapter of the Rules has been reviewed for consistency with the proposals for the revision of the energy and metering data terms.

These proposals are summarised in Table 3.2.

Table 3.2: Summary of proposals for metering data glossary terms

<i>Glossary term</i>	<i>Discussion</i>	<i>NEMMCO’s proposal</i>
Energy data	The current term for ‘energy data’ is consistent with the principle that the data held by the metering installation is energy data. NEMMCO’s view, however, is that the energy data terms need to include that this data is held by the metering installation (applying the proposed new meaning for the metering installation) to be entirely clearly defined.	It is proposed to vary the terms for ‘accumulated energy data’ and ‘interval energy data’ to indicate that this data is held in the metering installation. No change would be necessary to the term ‘energy data’.
Metering data	This collected data would be metering data, either accumulated metering data or interval metering data. Metering data represents a snapshot of the energy data at the point in time that the data is collected; it is then stored and processed as necessary. The processing of metering data includes validation, substitution and estimation in accordance with the	Metering data would include, accumulated metering data, interval metering data, calculated metering data, substituted metering data, estimated metering data and check metering data. It is proposed that the glossary term for each item of ‘metering data’ includes that it is held in the metering data services database.

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<i>Glossary term</i>	<i>Discussion</i>	<i>NEMMCO's proposal</i>
	metrology procedure. The processed data would also be part of the set of data that is defined as metering data.	
'Estimated energy data' as it applies to unmetered connection points	It is proposed that the term for the metering data for unmetered connection points (metering installations type 7) becomes 'calculated metering data'. This is to clarify that this data is not estimated in the sense used in the Rules and the processes under the Rules but is calculated.	It is proposed that 'calculated metering data' is the term used for metering data associated with unmetered connection points.
Substituted metering data	This term is not currently used in the Rules. Substitution of metering data is an important element of metering data processing under the metrology procedure, which requires metering data to be substituted where it fails validation or is incomplete. Providing substitutions, where necessary, will be part of the 'metering data services' undertaken by MDPs	It is proposed that 'substituted metering data' is introduced into the Rules as a glossary term.
Estimated metering data	This term is not currently used in the Rules. It is proposed that it replaces the current term 'estimated energy data'.	It is proposed that 'estimated metering data' is the estimated values of accumulated metering data, interval metering data or calculated metering data.
Settlements ready data	Consistent with the overall changes for service providers and metering data services, it is proposed to clarify that settlements ready data is held in the metering database rather than delivered to the metering database	It is proposed that settlements ready data 'is held in' the metering database rather than 'delivered to' the metering database
'Type 5 accumulation boundary' and 'profile'		It is proposed to vary these terms only to take account of the clarification to the terms for 'energy data' and 'metering data'.
The use of 'extracted or emanate' in glossary terms and the Rules	The phrase was intended to allow for where metering data was pushed or pulled. However this is now considered unnecessary with the proposal for the Rules to establish clarity for 'metering data services'.	It is proposed to replace the phrase 'extracted or emanate' with 'collect' or 'collected' as indicated in the marked-up Rules.

3.4 Proposal for related Rule changes

The proposed Rule requires a number of further changes to Chapter 7 that are related to the substantive changes for metering and metering service provision. These changes are set out in Table 3.3 and are designed to improve the operation of Chapter 7 for participants and service providers.

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The consequential changes required to other chapters of the Rules associated with this submission are set out in Attachment B.

Table 3.3: Proposals for further related Rules changes to Chapter 7

Rules reference	Issue and discussion	NEMMCO's proposal
Structure of Chapter 7	<p>The issue is that Chapter 7 especially in the light of the proposed changes for MDPs does not bring together rules relating to the same broad topic (e.g., the metering installation, metering data) and function.</p> <p>These changes are proposed to provide clarity for each section of Chapter 7 by ensuring, where possible, that each section deals with one substantive matter only.</p>	<p>The proposed changes to the structure of Chapter 7 of the Rules are;</p> <ul style="list-style-type: none"> • limit section 7.3 to 'Metering installation arrangements' by removing matters relating to metering data to other clauses; • create a heading for section 7.2A entitled 'B2B Arrangements' as this subject matter is not primarily about metering installations; • create a new section 7.3A for 'Payment for metering provision and metering data'; and • bring all elements of 'metering data services' relevant to MDPs into clause 7.11, which would be retitled 'Metering data arrangements'. <p>Additionally it is proposed to structure the arrangements for MDPs so that;</p> <ul style="list-style-type: none"> • MDPs (as well as MPs) would be included in section 7.4 with the functions of MDPs in a new clause 7.4.1A; • a new section S7.6 is created, entitled 'Metering Data Provider' that deals with the accreditation and registration of MDPs (in similar way that S7.4 deals with these matters for MPs).
Payment for metering and metering data (Rules clause 7.3.6)	<p>The current Rules clause 7.3.6 (f)¹⁵ refers to the recovery of metering costs where the LNSP is recovering these costs under a determination made by the AER. In these circumstances the Rules sets out that the FRMP is not liable for metering costs under paragraph (a) if the LNSP is recovering these costs under a determination made by the AER.</p> <p>Paragraph (a) refers to the FRMP</p>	<p>It is proposed that the reference to provision, installation and maintenance is removed so that paragraph (a) will not apply to the recovery of costs where a determination has been made in relation to either metering provision or metering data services.</p>

¹⁵ It is proposed this clause becomes Rules clause 7.3A.

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Rules reference	Issue and discussion	NEMMCO's proposal
	<p>being responsible for the cost of metering provision and the provision of metering data.</p> <p>The issue is that the current drafting of paragraph (f) could mean that paragraph (a) requires the FRMP to pay the metering data costs even where there is a determination by the AER relating to metering data costs. This has the potential to confuse participants and could lead to the multiple recovery of metering data costs.</p> <p>NEMMCO is of the view that this proposal corresponds to the original intent of this requirement.</p>	
Data validation and check metering data	The issue is that in clause 7.9.4(d) it is not clear that a substitute value is only used where metering data has failed validation (rather than just where check metering data is unavailable as the clause currently sets out).	It is proposed that clause 7.9.4(d) sets out that NEMMCO must prepare a substitute value in accordance with the metrology procedure when metering data fails validation.
Metering data arrangements in clause 7.11.	<ol style="list-style-type: none"> 1) In clause 7.11.1(a), NEMMCO understands that the reference to metering data in clause 7.11.1(a) is reference to interval data. 2) The collection of interval data where there is the capability for remote acquisition needs to be subject to those circumstances under the Rules where interval data may not be collected despite the capability of the meter. 3) Further paragraphs in this clause also warrant review for clarity. Paragraph (b) refers to the level of accuracy of metering data 'prescribed in schedule 7.2'. However it is the accuracy of the metering installation that is dealt with in schedule 7.2. The accuracy of metering data, in and of itself, is not specifically dealt with by the Rules. Metering data will be considered to be accurate when it derives from a metering installation which complies with its accuracy requirements. Due to substitution and estimation processes however not all data 	<ol style="list-style-type: none"> 1) NEMMCO proposes that it is made clear in clause 7.11.1(a) that it is interval data that is referred to in this paragraph. 2) It is proposed that the need to collect interval data in (a) is subject to clause (7.3.4 (g)). 3) NEMMCO proposes that the reference to accuracy in (b)(1), (c)(1) and (d)(1) be changed to a more general reference to the accuracy of the metering installation.

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Rules reference	Issue and discussion	NEMMCO's proposal
	<p>will reflect the underlying accuracy of the metering installation from which it derives on all occasions.</p> <p>4) Similarly the reference to the availability of instrument transformers and the communications link would appear to be no longer relevant and could conflict with the delivery requirements of metering data set out in other instruments such as the service level procedures. The timeframes for the delivery of data however continues to be relevant and these requirements would be set out in the metrology procedure and the service level procedures.</p>	<p>4) NEMMCO proposes removing the reference to instrument transformers and the communications link and replacing these with a reference to the service level procedures. Subparagraph (b)(3) would then be no longer required and could be deleted.</p>
<p>Rules schedule 7.2.3 - accuracy requirements for type 4</p>	<p>The issue is that under Table S7.2.3.1, Type 4 'Minimum acceptable class or standard of components', there is a current requirement for type 4 metering installations that they;</p> <p>'meets the requirements of clauses 7.11.1(a) and (b) or 7.11.1(a) or (c)'.</p> <p>The issue is whether the second 'or' in this requirement should correctly be 'and'.</p> <p>NEMMCO believes this is the case and that this is a transcription error that came about when the table was prepared from the Draft Rule at the time the Rule was made.</p> <p>In its relevant Draft Rule the AEMC stated;¹⁶</p> <p>'[21] Table S7.2.3.1 Overall Accuracy of Metering Installation Components</p> <p>In Table S7.2.3.1, omit the word '7.11(a)' and substitute the words '7.11.1(a) and (b) or 7.11.1 (a) and (c)' and omit the word '7.11(aa)' and substitute the word '7.11.1(d)'.'</p> <p>Hence AEMC's draft decision was that the type 4 requirement should</p>	<p>NEMMCO proposes that this clause be amended to conform to the AEMC's Draft Rule so that the requirement reads; '7.11.1(a) and (b) or 7.11.1 (a) or <u>and</u> (c)'.</p>

¹⁶ Draft National Electricity Amendment (Metrology) Rule 2006, AEMC, August 2006, page 20.

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Rules reference	Issue and discussion	NEMMCO's proposal
	<p>include conforming to 7.11.1 (a) and (b) or 7.11.1 (a) and (c). NEMMCO agrees with this position, that is, that for type 4 metering installations the requirement is always for interval data with remote reading capability. Hence for metering installations type 4, (a) must always apply and (b) or (c) can apply together with (a). The requirement would not seem to be correct for metering installations type 4 to allow (c) to apply explicitly without (a), as (c) alone does not provide for remote acquisition.</p> <p>Despite the draft decision the Rules were finalised with 'and' rather than 'or' and there had been no further discussion about this proposed change in the final rule determination.</p>	
Rules schedule 7.2.3 - accuracy requirements for type 6	For accumulation metering installations (type 6) a minor issue is that it is not clear that this metering installation records only 'accumulation energy data'.	It is proposed to vary the requirement to include that this metering installation records 'accumulation energy data only' and that there is a method to convert the accumulation data into trading interval data.
Rules schedule 7.2.3 - accuracy requirements for type 7	For Table S7.2.3.1 Item 5 (a) for type 7 metering installations (unmetered connection points) a minor issue is that the Rules currently sets out, 'data that is deemed to flow in the power conductor'. Data does not flow in the power conductor.	It is proposed to change this requirement so that it is clear that the metering data is 'deemed to correspond to the flow of electricity in the power conductor'.
Rules schedule 7.2.3 - delay in transferring data	<p>Table S7.2.3 Item 3 (4) and (5) and item 4 (4) are concerned with where there are delays in transferring metering data to a remote location. NEMMCO proposes that these requirements be removed.</p> <p>NEMMCO understands that no arrangements of this kind have been made and that it is now unclear what specific circumstances these provisions related to that were carried into the Rules from the former National Electricity Code.</p> <p>These requirements are considered unnecessary. Delays can always occur in the delivery of data and the Rules and the metrology procedure provide for estimates to allow settlement to continue. Additionally it is the service level requirements,</p>	It is proposed that in Table S7.2.3 Item 3 (4) and (5) and item 4 (4) be deleted.

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Rules reference	Issue and discussion	NEMMCO's proposal
	rather than the Rules, that establish the time frames relating to the delivery of data. If specific circumstances arise where special arrangements for MDPs need to be allowed for NEMMCO believes that the most appropriate place to provide for this is in the service level requirements. Ministerial approval would not be necessary for these arrangements to be made.	
Rules table S7.3.3	The issue is that the current expression '2 ≤ ≤10 GWh:' in table S7.3.3 is ambiguous and does not correspond to standard practice in the use of the mathematical symbols for 'greater than or equal to' and 'less than or equal to'. This proposal does not change the intention of the requirement for inspections that should take place each 3 years where the volume is between 2 and 10 GWh.	It is proposed to vary this reference to read, '2 ≤ GWh ≤10:'.
Rules schedule S7.2.6.1	In schedule S7.2.6.1 the term 'metering point' is used in reference to volume (energy consumption) associated with metering installations. In order to ensure that this schedule is consistent with the volume requirements for metering installations under schedule 7.2.	It is proposed that the references in S7.2.6.1 are changed from 'metering point' to 'connection point' for consistency.
Categories of registration for metering providers	Previously categories of registration for metering providers for metering installations types 5 and 6 were established in the metrology procedure. ¹⁷	It is proposed to add the categories of registration for metering providers for metering installations types 5 and 6 to schedule 7.4.
NEMMCO's use of agents	NEMMCO proposes to retain the principle that it may use agencies to assist it manage its responsibilities for the metering database. In retaining this ability under the Rules it should be noted that these potential entities are not MDAs (or MDPs) who have been agents of NEMMCO for the collection and processing of data. This activity would be equivalent to 'outsourcing' and NEMMCO would not accredit any third parties that managed an agency metering	It is proposed to delete the glossary term 'agency data collection system'.

¹⁷ There is no MP category for metering installation type 7 as these connection points do not have a meter.

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<i>Rules reference</i>	<i>Issue and discussion</i>	<i>NEMMCO's proposal</i>
	database.	
MP provisions in transition from Code to Rules	The issue is that this requirement that applied to MPs is no longer required. Its purpose was to ensure that consistent obligations applied to MPs in the transition from the National Electricity Code to the Rules. This provision is longer required and should not be carried to the MDP requirements.	It is proposed to delete the last paragraph of clause 7.4.2(bc)
S7.2.4 (a)	<p>The issue is that in the table there is possible confusion about the reference to energy for 'metering point' and whether this should refer to 'connection point' or whether it represents different requirements associated with 'metering points' rather than 'connection points' and the corresponding 'Type' requirements.</p> <p>It needs to be made clear that the table should only be interpreted as dealing with the check metering requirements.</p>	<p>It is proposed to;</p> <ul style="list-style-type: none"> • change the column heading 'Type' to 'Type in accordance with Table S7.2.3.1', and • delete the current middle column of the table, 'Energy (GWh pa)...', as it is not required.
'Check meter', 'check metering data' and 'check metering installation'		It is proposed to vary these terms so that they align with the proposed terms for energy and metering data.

3.5 Transitional Issues

If NEMMCO's proposal is accepted, it will be necessary to ensure a seamless transition between the existing arrangements and the new arrangements.

Many regulatory instruments and contractual arrangements depend on the service provider arrangements set out in Chapter 7 of the Rules and hence changes to these arrangements will need to follow the Rule change. However these do not represent operational changes. That is, the principal Rule change that establishes MDPs varies the authority for these matters in some cases without changing the operational requirements.

The transition to the new arrangements would however need to deal with, for example:

- making consequential changes to the metrology procedure and other instruments, such as the SLPs for authority, revised terms and ensuring responsibilities are correctly allocated;
- formally terminating the deeds arrangements (NEMMCO is required under the deeds to give an MDA 60 days notice of termination where termination relates to relevant changes to the Rules);

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-
- varying the deregistration procedures for service providers to take account of the changes to Rules clause 7.4.3;
 - changing the accreditation guidelines and arrangements so that MDPs are accredited under the Rules in their appropriate new categories; and
 - allowing for the engagement of the MDPs for metering installation types 1 to 4 by the RP rather than the FRMP (noting however the FRMP on the majority of occasions is the RP for these meter types).

NEMMCO expects that these changes can be accommodated and not disrupt the provision of metering data in the market. Additionally, it would be NEMMCO's intention that at the time that the new Rule commences all existing businesses accredited to provide metering data services (currently MDAs, MPCs and MPDs) will retain their accreditation at the commencement of the new Rule as MDPs in appropriate MDP categories.

To allow these to be made NEMMCO proposes that the AEMC commence the Rule change nine months following its decision. NEMMCO's view is that this would allow sufficient time for all the arrangements to be established to meet the requirements of industry, service providers and NEMMCO. In addition, transitional Rules may be required.

3.6 Power of NEMMCO to Submit this Proposal

NEMMCO is requesting that the AEMC make this proposed Rule in accordance with section 91 of the NEL.

NEMMCO has the following relevant functions under the NEL:

- to operate and administer the NEM;
- to promote the development and improve the effectiveness of the operation and administration of the NEM;
- to register persons as Registered participants to operate in the NEM; and
- any other functions conferred on it under this Law or the Rules.

Under section 91(1) of the NEL, the AEMC may make a Rule at the request of any person, the MCE or the Reliability Panel. As such, NEMMCO may request the AEMC make a Rule.

3.7 Power of the AEMC to Make the Proposed Rule

The subject matters about which the AEMC may make Rules are set out in section 34 of the NEL and, more specifically, in Schedule 1 to the NEL.

NEMMCO considers that the proposed Rule falls within the subject matters that the AEMC may make Rules about, as it relates to particularly:

- the operation of the national electricity market (section 34(1)(a)(i));

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-
- the activities of persons (including Registered Participants) participating in the NEM (section 34(1)(a)(ii));
 - the metering of electricity to record the production or consumption of energy (item 27 of Schedule 1);
 - the regulation of persons providing metering services relating to the metering of electricity (item 29 of Schedule 1); and
 - the calculation or estimation of the use of electricity (item 31 of Schedule 1).

4. How the proposed Rules contribute to the National Electricity Objective (NEO)

Before the AEMC can make a Rule change it must apply the rule making test set out in the NEL which requires it to assess whether the proposed Rule will or is likely to contribute to the national electricity objective (NEO). Section 7 of the NEL sets out the NEO which is:

- ‘...to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to –
- (a) price, quality, reliability and security of supply of electricity; and
 - (b) the reliability, safety and security of the national electricity system.’

NEMMCO submits that the proposed Rule is likely to promote the NEO because it supports effective and transparent regulation and operation of the NEM by:

- creating in the Rules consistent arrangements for the treatment of service providers across all metering installation types by introducing the roles and responsibilities of MDPs, varying the MP category of service provider and removing NEMMCO’s responsibilities for remote data collection. In particular, including these arrangements in the Rules’ governance framework would increase transparency, regulatory certainty and clarify the rights and obligations of these parties;
- refining the description of the metering installation and metering data to improve clarity and understanding of these terms;
- editorial and structural changes to Chapter 7 that would improve readability and clarity, correct errors and recognise the addition of MDPs; and
- addressing minor editorial and glossary term changes identified when developing the proposed Rule to improve clarity of the Rules.

Further, NEMMCO considers that the proposed Rule would promote the NEO by reducing the costs and operational risks associated with the current arrangements for market participants, service providers and NEMMCO by reducing:

- the compliance and administration costs and operational risks for MPs, MDPs and NEMMCO due to the removal of the deeds arrangement which, in effect, removes a separate layer of regulation;
- NEMMCO’s administration costs relating to the creation of common accreditation, registration and qualification processes applying to MPs and MDPs; and

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-
- the administration costs relating to managing metering data. The proposed Rule would clarify responsibilities and reduce the number of regulatory instruments applicable for managing data across all metering installation types.

Reduced costs and operational risks involved in NEM participation are likely to encourage more efficient investment and competition in the provision of metering services which would also facilitate innovation in the provision of metering services.

NEMMCO submits that, in the long term, the proposed Rule would result in lower costs to market participants that are likely to be passed on to consumers through lower prices for electricity services. In addition, it is likely to promote efficient investment in, and efficient operation and use of electricity services.

5. Expected Benefits and Costs of the Proposed Rule

NEMMCO expects that the proposed Rule would result in benefits for service providers and NEMMCO because the costs involved in NEM participation would be reduced. This would occur because:

- including MDPs rights and obligations in the Rules' governance framework, which gives all metering service providers similar rights and obligations under the Rules, increases transparency and certainty for MDPs;
- only one compliance system would be required after the deeds arrangements are terminated and this would benefit service providers and NEMMCO in reduced compliance and administration costs;
- establishing common accreditation, registration and qualification requirements across metering installation types would benefit MPs, MDPs and NEMMCO through reduced compliance and administration costs;
- ensuring the Rules' dispute resolution process applies to MPs and MDPs makes it consistent across service providers and participants;
- creating a single database structure across metering installation types benefits service providers because they would only need to administer a single set of compliance arrangements under the Rules;
- creating a single database structure across metering installation types benefits registered participants as they only need to maintain one set of systems and processes to access metering data; and
- correcting and clarifying minor anomalies, terms and clauses in the Rules benefits market participants because they have a better understanding of the roles, obligations and rights of NEM participants, this improves regulatory certainty.

NEMMCO notes that transferring its current responsibility for metering data services and the engagement of MDPs to RPs would eliminate the need for NEMMCO to manage the MDP relationship. NEMMCO considers that removing this layer of regulation would result in lower costs.

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NEMMCO expects however that a number of parties would experience costs associated with the revised arrangements, these include:

- RP's costs are likely to increase because processes would need to be revised for engaging MDPs for metering installation types 1 to 4 consistent with those for metering installation types 5, 6 and 7. NEMMCO expects these costs to be minimal because in the majority of these arrangements the RP is the FRMP (who currently engages the MDA);
- the transfer of risk for the responsibility of metering data services and the engagement of MDPs from NEMMCO to the RP. While this is difficult to quantify NEMMCO considers that the resultant benefits outweigh the costs associated with RPs assuming this role;
- service providers and participants may experience some one-off costs related to including the new arrangements in their systems. NEMMCO notes that RPs already have procedures to deal with the management of the relationship with the MP. As such, NEMMCO considers that the costs involved in mirroring this for all MDPs would be minimal; and
- NEMMCO would incur some administrative costs in revising existing procedures to reflect the proposed changes. For instance, costs would be incurred amending procedures, including the metrology procedure and the procedures for registration and compliance of MDPs and MPs, however, these are expected to be minimal.

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GLOSSARY

Term or Abbreviation	Explanation
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
FRC	Full retail competition
FRMP	Financially responsible Market Participant
LNSP	Local Network Service Provider
MDA	Metering Data Agent
MDP	Metering Data Provider
MP	Metering Provider
MPB	Metering Provider category B
MPC	Metering Provider category C
MPD	Metering Provider category D
MRG	Metrology Reference Group
MSATS	Market Settlement and Transfer Solution Procedures
NEM	National Electricity Market
NEO	The national electricity objective set out in section 7 of the NEL.
NEL	National Electricity Law
RP	Responsible Person
Rules	National Electricity Rules
SLP	Service Level Procedures

**Attachment B – Proposal for Metering Data Providers –
Consequential changes**

ATTACHMENT B: Consequential changes

The proposed Rule outlined in Table 5.1 relates to Chapters of the Rules other than Chapter 7. The proposed drafting is fully set out in Table 5.1, as marked-up changes, given there are few consequential changes.

Table 5.1 Consequential changes to the Rules.

<i>Rules reference</i>	<i>NEMMCO's proposal</i>
Chapter 8, clause 8.2.1 for dispute resolution – To include metering data providers ¹⁸	<p>It is proposed that Rules clause 8.2.1(a1) would be varied to read;</p> <p>(a1) For the purposes of this rule 8.2 only, '<i>Registered Participant</i>' is deemed to include not just <i>Registered Participants</i> but also <i>NEMMCO</i>, and <i>Connection Applicants, Metering Providers and Metering Data Providers</i> who are not otherwise <i>Registered Participants</i>, except that this will not be the case where the term '<i>Registered Participant</i>':</p> <p>(1) is used in clauses 8.2.2(b)(4), 8.2.2(d), 8.2.3(a), 8.2.3(b)(5) and 8.2.5(e);</p> <p>(2) first occurs in clauses 8.2.3(b), (b)(3), (b)(4) or (c); or</p> <p>(3) last occurs in clauses 8.2.4(a) or 8.2.9(c).</p> <p>Additionally Rules clause 8.2.1(h)(11), would be varied to read (taking into account the proposed changes to clause 7.4.3);</p> <p>(11) a decision by <i>NEMMCO</i> whether or not to deregister a <i>Metering Provider or Metering Data Provider</i> under clause 7.4.3(a)(c), (aa) or (b)(d) <u>or to suspend a <i>Metering Provider or Metering Data Provider</i> from a category of registration under clause 7.4.3(aa)(c) or to impose agreed constraints on the continued operation of a <i>Metering Provider or Metering Data provider</i>,</u></p> <p>The glossary term for 'Registered Participant' has also been updated to include MPs and MDPs being deemed to be registered participants for the purpose of clause 8.2.</p>
Chapter 9, Schedule 9G1 - for deletion of the term 'revenue meter'	<p>It is proposed that Schedule 9G1 - Metering Transitional Arrangements - clause 5.1(c) to read:</p> <p>(c) Joint use of secondary circuits for revenue metering is permitted for Type 1 <i>metering installations</i>. [refer to cl.S7.2.6.1(a) of schedule 7.2 of Chapter 7].</p>
Chapter 6, clause 6.20.1 – metering data terms in relation to charging for distribution services	<p>Rules clause 6.20.1(e) is concerned with the payment for distribution services and needs to be varied so that it is consistent with the changes to the metering data term. It is proposed that Rules clause 6.20.1(e) be varied in the last point (2) only, changing the reference from 'energy data' to 'metering data' as follows;</p> <p>(e) Charges for <i>distribution services</i> based on metered kW, kWh, kVA, or kVAh for:</p>

¹⁸ This change, referred to in section 3.1.2, is not strictly a consequential change but is shown here for convenience as it applies to a Chapter other than Chapter 7.

**Attachment B – Proposal for Metering Data Providers –
Consequential changes**

Rules reference	NEMMCO's proposal
	<p>(1) <i>Embedded Generators</i> that are <i>Market Generators</i>; and</p> <p>(2) <i>Market Customer</i>, and</p> <p>(3) <i>Second-Tier Customers</i>;</p> <p>must be calculated by the <i>Distribution Network Service Provider</i> from:</p> <p>(1) <i>settlements ready data</i> obtained from NEMMCO's <i>metering database</i>, for those <i>Embedded Generators</i>, <i>Market Customers</i> and <i>Second-Tier Customers</i> with <i>connection points</i> that have a type 1, 2, 3 or 4 <i>metering installation</i>; and</p> <p>(2) energy metering data, in accordance with a <i>metrology procedure</i> that allows the <i>Distribution Network Service Provider</i> to use energy metering data for this purpose, or otherwise <i>settlements ready data</i> obtained from NEMMCO's <i>metering database</i>, for those <i>Embedded Generators</i>, <i>Market Customers</i> and <i>Second-Tier Customers</i> with <i>connection points</i> that have a type 5, 6 or 7 <i>metering installation</i>.</p> <p>Similarly, Rules Chapter 11 Part J clause 6.20.1 (e)(2) would be varied to read:</p> <p>(2) energy metering data, in accordance with a <i>metrology procedure</i> that allows the <i>Distribution Network Service Provider</i> to use energy metering data for this purpose, or otherwise <i>settlements ready data</i> obtained from NEMMCO's <i>metering database</i>, for those <i>Embedded Generators</i>, <i>Market Customers</i> and <i>Second-Tier Customers</i> with <i>connection points</i> that have a type 5, 6 or 7 <i>metering installation</i>.</p>
Metering data provider	<p>The term <i>metering provider</i> is used in Chapters other than Chapter 7. Reference to a service provider on these occasions should now include a reference also to <i>metering data provider</i>, as follows;</p> <p>Rules clauses 3.19 (<i>Market Management Systems Access Procedures</i>) (a) and (c) would be varied to read:</p> <p>(a) NEMMCO may develop and <i>publish Market Management Systems Access Procedures</i> in consultation with <i>Registered Participants</i> in accordance with the <i>Rules consultation procedures</i>, which procedures will govern how <i>Registered Participants</i>, and <i>Metering Providers</i> and <i>Metering Data Providers</i> can use the <i>market management systems</i>.</p> <p>(c) NEMMCO and all <i>Registered Participants</i>, and <i>Metering Providers</i> and <i>Metering Data Providers</i> must comply with the <i>Market Management Systems Access Procedures</i>.</p> <p>Clause 5.3.7 (g)(4) would be varied to read:</p> <p>(4) arrangements for the <i>Metering Provider</i> to obtain physical access to the <i>metering installation for the <u>Metering Provider</u> and the <u>Metering Data Provider</u> for <u>metering installations type 5 and 6</u></i>; and</p>

**Attachment B – Proposal for Metering Data Providers –
Consequential changes**

<i>Rules reference</i>	<i>NEMMCO's proposal</i>
	<p>Chapter 5, Schedule 5.6(l) terms and condition to be established for access to the meter for metering providers. Access to the meter by MDPs is only required for types 5 and 6 so adding this requirement does not represent a change that would require new contractual obligations as the MDPs just replace MP categories C and D under the existing clause. The clause would however be varied to read;</p> <p style="padding-left: 40px;">(l) terms and conditions of access to the <i>metering installation</i> for the <i>Metering Provider</i> <u>and access to metering installations</u> type 5 and 6 for the <i>Metering Data Provider</i>.</p>

Attachment C - Proposal for Metering Data Providers – Schedule 7.1

Schedule 7.1 - Responsibility for metering installation and metering data

